GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2955
ANSWERED ON:02.12.2016
MUDRA Loans
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Will the Minister of FINANCE be pleased to state:

(a) the mechanism evolved by the banks for proper implementation of the ambitious schemes like MUDRA;
(b) whether the private banks are showing apathy towards the said scheme and if so, the details thereof;
(c)whether the Government proposes to reduce the interest rate on Shishu, Kishor and TarunSchemes and if so, the details thereof;
(d) the number of complaints received for disbursement of loan under the scheme since its inception along with the action taken by the Government, bank-wise;

(e) the target fixed and achievements made by the Government under the said schemes during the last two years, Bank/State/UT-wise; and

(f) the reasons for not achieving the desired targets and the steps taken/being taken by the Government to achieve the desired targets?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(a) Banks have taken several steps for effective implementation of various schemes including Pradhan Mantri Mudra Yojana (PMMY). These inter alia, include; simplified loan application forms, standardised processing, credit bureaus checks, publicity campaigns, use of electronic portals etc.
(b) Private Sector Banks are actively involved in theimplementation of PMMY. During 2015-16, Private Sector Banks have disbursed Rs. 20,026 crore, while in 2016-17, Private Sector Banks have so far disbursed Rs.10,983 crore (as on Nov. 25, 2016).
(c)The interest rates in respect of all categories of PMMY loans are governed by extant guidelines of Reserve Bank of India (RBI) in respect of lending to Micro and Small Enterprises (MSEs). Banks can fix interest rates, taking into account their cost of funds, transaction costs, risk premium etc.
(d) Centralized Public Grievance Redress And Monitoring System (CPGRAMS) has received 6,053 complaints through letters against various banks in respect of PMMY scheme.Of these, 5,883 complaints have been forwarded to respective Banks for redressal.
(e) & (f) As against the target of Rs.1,22,188 crore fixed under PMMY for FY 2015-2016, the Banks and Micro Finance Institutions have together disbursed Rs. 1,32,954.73 crore. For 2016-17 Government have set a target of Rs. 1,80,000crore. Achievement as on Nov.25, 2016 has beenRs. 73,013.73crore. Bank-wise target fixed and achievements made during FY 2015-16 and FY2016-17 (as on 25 November, 2016)is atAnnexure I. State/UT-wise target has not been fixed by Government. However, the State/UT-wise achievement is at Annexure II.